

Adopted	Rejected
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COMMITTEE REPORT

YES:	11
NO:	0

MR. SPEAKER:

*Your Committee on Insurance, to which was referred House Bill 1646, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 11, line 5, delete "broker" and insert "**intermediary**".
- 2 Page 11, line 6, delete "broker" and insert "**intermediary**".
- 3 Page 11, delete lines 15 through 42, begin a new paragraph and
- 4 insert:
- 5 "SECTION 6. IC 27-8-19.8-3 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this
- 7 chapter, "insured" refers to an individual ~~who has a catastrophic or life~~
- 8 ~~threatening illness or condition. whose life is the subject of insurance~~
- 9 **under a life insurance policy or certificate.**
- 10 SECTION 7. IC 27-8-19.8-4.1 IS ADDED TO THE INDIANA
- 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 12 [EFFECTIVE JULY 1, 2005]: **Sec. 4.1. As used in this chapter,**
- 13 **"viatical representative" means a person that offers or sells a**
- 14 **viatical settlement purchase agreement.**

SECTION 8. IC 27-8-19.8-4.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.3. As used in this chapter, "viatical settlement agent" means a person that:

- (1) represents a viatical settlement provider; and
- (2) solicits, offers, or attempts to negotiate a viatical settlement contract with a viator.

SECTION 9. IC 27-8-19.8-4.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.7. As used in this chapter, "viatical settlement intermediary" means the following:

- (1) A viatical settlement agent.
- (2) A viatical settlement broker.
- (3) A viatical representative.

SECTION 10. IC 27-8-19.8-6.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.3. As used in this chapter, "viatical settlement purchase agreement" means an agreement through which a person other than a viatical settlement provider purchases or is assigned an interest in a:

- (1) viaticated policy; or
- (2) viatical settlement contract.

SECTION 11. IC 27-8-19.8-8.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8.5. In addition to the licensure requirement specified in section 9(1) of this chapter, the following must be licensed as an insurance producer with a life qualification under IC 27-1-15.6-7:

- (1) A viatical settlement broker.
- (2) A person who solicits, offers, or attempts to negotiate a viatical settlement contract with a viator: agent.

SECTION 12. IC 27-8-19.8-8.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8.6. The following are exempt from the licensing requirement under IC 27-8-19.8-8.5: requirements of sections 8.5 and 9(1) of this chapter:

- (1) An accountant, an attorney, or a financial planner retained to represent the viator, and whose compensation is paid directly by or at the direction of the viator.
- (2) A regularly salaried officer or employee of a viatical settlement broker or viatical settlement provider, if the officer or

- 1 employee's duties and responsibilities do not include the
- 2 solicitation or negotiation of viatical settlement contracts.
- 3 (3) The following persons, to the extent that the person is engaged
- 4 in the administration or operation of a program of employee
- 5 benefits for the person's employees or the employees of the
- 6 person's subsidiaries or affiliates involving the use of viatical
- 7 settlement contracts issued by a licensed viatical settlement
- 8 provider, if the person is not in any manner directly or indirectly
- 9 compensated by the viatical settlement provider:
- 10 (A) An employer.
- 11 (B) An officer or employee of an employer.
- 12 (C) A trustee of an employee trust plan."
- 13 Page 12, delete lines 1 through 5.
- 14 Page 12, line 9, delete "broker" and insert **"intermediary"**.
- 15 Page 12, line 10, delete "broker" and insert **"intermediary"**.
- 16 Page 12, line 33, delete "broker" and insert **"intermediary"**.
- 17 Page 12, line 34, delete "broker" and insert **"intermediary"**.
- 18 Page 12, line 37, delete "broker must" and insert **"intermediary**
- 19 **must"**.
- 20 Page 12, line 37, delete "broker examination" and insert
- 21 **"intermediary examination"**.
- 22 Page 12, line 40, delete "broker" and insert **"intermediary"**.
- 23 Page 12, line 41, delete "broker" and insert **"intermediary"**.
- 24 Page 13, line 5, delete "broker" and insert **"intermediary"**.
- 25 Page 13, line 6, delete "broker" and insert **"intermediary"**.
- 26 Page 13, line 7, delete "broker" and insert **"intermediary"**.
- 27 Page 13, line 11, delete "broker" and insert **"intermediary"**.
- 28 Page 13, line 21, delete "broker." and insert **"intermediary."**.
- 29 Page 13, line 25, delete "broker." and insert **"intermediary."**.
- 30 Page 13, line 32, delete "broker" and insert **"intermediary"**.
- 31 Page 13, line 34, delete "broker license" and insert **"intermediary**
- 32 **license"**.
- 33 Page 13, line 34, delete "broker:" and insert **"intermediary:"**.
- 34 Page 13, line 36, delete "broker's" and insert **"intermediary's"**.
- 35 Page 14, line 40, delete "broker" and insert **"intermediary"**.
- 36 Page 14, line 42, delete "broker" and insert **"intermediary"**.
- 37 Page 15, line 1, delete "broker" and insert **"intermediary"**.
- 38 Page 15, line 14, delete "broker" and insert **"intermediary"**.

- 1 Page 15, line 15, delete "broker" and insert **"intermediary"**.
- 2 Page 15, line 16, delete "broker" and insert **"intermediary"**.
- 3 Page 15, line 18, delete "broker" and insert **"intermediary"**.
- 4 Page 15, line 20, delete "broker" and insert **"intermediary"**.
- 5 Page 15, line 21, delete "broker" and insert **"intermediary"**.
- 6 Page 15, line 26, delete "broker" and insert **"intermediary"**.
- 7 Page 15, line 30, delete "broker" and insert **"intermediary"**.
- 8 Page 15, line 32, delete "broker" and insert **"intermediary"**.
- 9 Page 15, line 37, delete "broker" and insert **"intermediary"**.
- 10 Page 15, line 38, delete "broker" and insert **"intermediary"**.
- 11 Page 15, line 40, delete "broker's" and insert **"intermediary's"**.
- 12 Page 15, line 41, delete "broker" and insert **"intermediary"**.
- 13 Page 16, line 2, delete "broker" and insert **"intermediary"**.
- 14 Page 16, line 27, delete "broker's" and insert **"intermediary's"**.
- 15 Page 16, line 33, delete "broker" and insert **"intermediary"**.
- 16 Page 16, line 34, delete "as a viatical settlement broker;" and insert
- 17 **"in the viatical settlement intermediary's capacity as a viatical**
- 18 **settlement agent, viatical settlement broker, or viatical**
- 19 **representative;"**.
- 20 Page 16, line 40, delete "broker" and insert **"intermediary"**.
- 21 Page 17, line 3, delete "broker" and insert **"intermediary"**.
- 22 Page 17, line 7, delete "broker" and insert **"intermediary"**.
- 23 Page 17, delete lines 8 through 32, begin a new paragraph and insert:
- 24 "SECTION 24. IC 27-8-19.8-24 IS AMENDED TO READ AS
- 25 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 24. A viatical
- 26 settlement provider shall obtain the following before entering into a
- 27 viatical settlement contract:
- 28 (1) If the viator is the insured, a written statement from a licensed
- 29 attending physician that the insured is of sound mind and under no
- 30 constraint or undue influence.
- 31 (2) A document signed by the viator and witnessed by two (2)
- 32 disinterested witnesses in which the viator does the following:
- 33 (A) Consents to the viatical settlement contract.
- 34 (B) **If the insured has a catastrophic or life threatening**
- 35 **illness or condition**, acknowledges the catastrophic or life
- 36 threatening illness **or condition**.
- 37 (C) Represents that the viator has a full and complete
- 38 understanding of the viatical settlement contract.

1 (D) Represents that the viator has a full and complete
2 understanding of the benefits of the life insurance policy.

3 (E) Acknowledges that the viator has entered into the viatical
4 settlement contract freely and voluntarily.

5 (F) Discloses the identity of any person that served as a viatical
6 settlement broker in connection with the viatical settlement
7 contract.

8 (3) A document in which the insured consents to the release of the
9 insured's medical records.

10 SECTION 25. IC 27-8-19.8-24.9 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 24.9. (a) The viatical
12 settlement provider or viatical settlement ~~broker~~ **intermediary** may
13 contact the insured for the purpose of determining the health status of
14 the insured not more than:

15 (1) one (1) time every three (3) months for an insured with a life
16 expectancy of more than one (1) year; or

17 (2) one (1) time every month for an insured with a life expectancy
18 of not more than one (1) year.

19 (b) Contacts made with an insured under subsection (a) must be
20 made by mail unless the parties agree to another method of contact.

21 SECTION 26. [EFFECTIVE JULY 1, 2005] **(a) A viatical**
22 **settlement intermediary shall comply with IC 27-8-19.8-9(1), as**
23 **amended by this act, and IC 27-8-19.8-10.1, as added by this act,**
24 **not later than December 31, 2006.**

25 **(b) This SECTION expires December 31, 2008."**

26 Renumber all SECTIONS consecutively.

(Reference is to HB 1646 as introduced.)

and when so amended that said bill do pass.

Representative Ripley